(1997) 03 NCDRC CK 0023

In the National Consumer Disputes Redressal Commission

JAY FLASH CERAMICS LTD — APPELLANT

Vs

State Bank of India — RESPONDENT

Date of Decision : 07-03-1997

Acts Referred:

Citation : 1997 2 CPJ 235

Hon'ble Judges : E.J.Bellie , Pulavar V.S.Kandasamy , Angel Arulraj J.

Final Decision : Complaint dismissed

Judgement

1. THE complainant Jay Flash Ceramics Ltd., has been operating a Current Account with the opposite party-State Bank of India, Guindy. THE complainant was operating another account in the Indian Bank, Industrial Finance Branch, Madras under which the complainant was enjoying credit facilities. While so, the said Indian Bank had written a letter dated 18.8.95 to the opposite party requesting the opposite party to close their banking transaction with the complainant stating that the complainant''s credit facilities transaction with the Indian Bank has been irregular. On the basis of this letter the opposite party closed the current account of the complainant in its Bank on 15.9.95. THE case of that complainant is that the action of the opposite party in closing the current account is arbitrary and unreasonable and they had no right to do so. On account of such an action by the opposite party the complainant had suffered loss in reputation. On these allegations the complaint has been filed for directing the opposite party to pay a compensation of Rs. 6,00,000/- to the complainant with interest thereon @ 12% p.a. from the date of complaint till the date of realisation.

2. THE opposite party in its written version contended that the complainant is not a consumer within the meaning of the Consumer Protection Act, and, therefore, the complaint is not maintainable. THE closure of the current account of the complainant by the opposite party is not deficiency in service. THE closure of the current account is not arbitrary as alleged. THE opposite party had every right to close the account at any time it chooses. On receipt of a letter dated 18.8.95 from the Indian Bank stating that the Indian Bank had granted substantial credit

facilities to the complainant and that the accounts regarding that were irregular and a large amount was due from the complainant, the opposite party wrote a letter to the complainant on 21.8.95 that in view of the letter received from the Indian Bank the opposite party was not in favour of continuing the current account with them. Upon that the complainant requested the opposite party to permit operation of the account until 15.9.95 and it was done so and on that date the account was closed and a Demand Draft for Rs. 9,448.35 being the balance at credit was sent to the complainant. In these circumstances there is no question of any deficiency in service on the part of the opposite party. Hence there is no merit in the complaint and it is, therefore, liable to be dismissed. The point that arises for consideration is whether there was any deficiency in service on the part of the opposite party as alleged and if so to what amount of compensation the complainant will be entitled.

According to the complainant the action of the opposite party in closing the complainant''s current account with the opposite party is arbitrary and without any reason and that amounts to deficiency in service on their part. This is disputed by the opposite party contending that it was only after a letter from the Indian Bank with whom the complainant had large amount of credit facilities stating that the complainant had been irregular in respect of that account and a large amount was due from him the current account with the opposite party was closed. It is not denied by the complainant that such a letter from the Indian Bank was received by the opposite party and is also not contended by the complainant that the contents in that letter were not correct. When in these circumstances the current account of the complainant with the opposite party was closed it cannot be said that that would amount to arbitrariness and deficiency in service on the part of the opposite party. There is no law or rule that a Bank shall always allow a current account holder to continue operation of the current account. Undoubtedly, the account holder always will have the liberty to close the accounts at any time he wants. Similarly the Bank will also have the right to close the accounts without causing any loss to the account holder. In other words, on payment of any amount due to the account the Bank can be closed by the Bank..

3. "SERVICE" has been defined under Section 2(1)(o) of the Consumer Protection Act as follows: "(o) "SERVICE" means service of any description which is made available to potential users and includes the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, boarding or lodging or both (housing construction), entertainment, amusement or the purveying of news or other information, but does not include the rendering of any service free of charge or under a contract of personal service."

This shows that only when any service is made available, that service can be hired or availed of by a potential user as stated in Section 2(1)(d)(ii) of the Act. When the opposite party has closed the current account of the complainant without causing any loss to him, it would amount to not making available of service to the complainant. Hence, when the account is closed, the question of hiring or availing of service of the opposite party by the complainant does not arise and, therefore, the complainant cannot be a consumer under Section 2(1)(d)(ii) of the Act. In this view of the matter, the complaint in this Consumer Commission cannot be sustained as maintainable. It follows, therefore, that the complaint is liable to be dismissed. We order accordingly. However, there will be no order as to costs. Complaint dismissed.